CALIFORNIA
ENERGY
COMMISSION

GRANT SOLICITATION

Advanced Heavy-Duty Natural Gas Engine Research & Development

Subject Area: PIER Transportation

Solicitation Number PON-08-009

APPLICATION PACKAGE

January 15, 2009

Arnold Schwarzenegger, *Governor*

CALIFORNIA ENERGY COMMISSION

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GRANT SOLICITATION AND APPLICATION PACKAGE

Public Interest Energy Research (PIER)
Research, Development & Demonstration (RD&D)

Subject Area: Transportation

1. Release Date: January 22, 2009

2. Proposal Due Date: February 24, 2009 at 4:00 p.m.

3. Purpose

This is a competitive grant solicitation sponsored by the California Energy Commission's (Energy Commission) Public Interest Energy Research (PIER) Program's Transportation Subject Area to accelerate research and development of advanced natural gas engine concepts for application in heavy-duty vehicles, operated in fleets throughout California.

During 2007 and 2008, the Energy Commission conducted an in-depth analysis of the challenges and technology research gaps associated with natural gas engines, vehicles, and fueling systems.[1] The Natural Gas Vehicle (NGV) Research Roadmap identifies the gap between the performance of a natural gas heavy-duty engine and a similar diesel engine in the same vehicle application. Conventional spark-ignited natural gas engines have two fundamental deficiencies - increased fuel consumption and reduced power density - that hinder their ability to compete with diesel engines despite the lower price of natural gas. Therefore:

- RDD&D (Research, Development, Demonstration & Deployment) is needed to improve the operating fuel efficiency of heavy-duty natural gas engines.[2]
    - Historically natural gas engines, which use a throttle to control engine speed and a spark to ignite the fuel, exhibit poor fuel economy in part-load operation when compared to diesel engines. Diesel engines autoignite the fuel injected into highly compressed, high temperature, unthrottled intake air.
    - Despite the price difference between natural gas and diesel fuel that favors natural gas, the reduced efficiency of natural gas engines (especially at part-load operation) reduces the fuel cost savings, lengthening the time period needed to recover higher initial costs, and inhibiting market adoption.
    - Because greater fuel cost savings are needed to offset the higher cost of a natural gas vehicle, improving fuel efficiency at part-load operation will enhance the market competitiveness of NGVs. This is especially true for

[1] California Energy Commission 2008. *Natural Gas Vehicle Research Roadmap*, CEC-500-2008-044D
[2] Id. page 19

urban applications where a vehicle may operate for extended periods at part load.

- RDD&D is needed to improve the power output of natural gas engines.
    - Current spark ignition natural gas engines have a power rating 10%-20% lower than their diesel counterparts at the same displacement.
    - Due to this lower power density, additional engineering and testing is required to integrate a larger natural gas engine into the chassis of a heavy-duty vehicle designed for a smaller diesel engine. These integration requirements increase the price differential between NGVs and diesel vehicles and present a barrier to the implementation of natural gas engines into new applications.
- RDD&D to lower the incremental cost of CNG (compressed natural gas) or LNG (liquefied natural gas) vehicles.
    - CNG and LNG vehicles typically have a higher cost than the diesel counterpart; however, technology or manufacturing improvements that materially reduce this higher cost may offer a significant near term and long term market expansion.

4. Availability of Solicitation Documents and Information

This solicitation and all supporting documents and forms can be found at http://www.energy.ca.gov/contracts/index.html under "Current Solicitations." Interested parties may also register on the electronic mailing list on this webpage to receive notifications of any changes to this solicitation.

For those parties without Internet access, copies of solicitation documents and information can be obtained by contacting:

Sandra Cushman
Administrative Assistant
Energy Systems Research Office
California Energy Commission
1516 Ninth Street, MS-43
Sacramento, CA 95814
Telephone: (916) 651-9381
Email: scushman@energy.state.ca.us

In addition, you may request to be added to the mailing notification list to receive changes made to this solicitation.

5. Background

The PIER Program, administered by the California Energy Commission, funds selected public interest energy Research, Development & Demonstration (RD&D) efforts that advance energy science or technology that are not adequately addressed by the competitive and regulated energy markets. PIER's mission is to conduct public interest energy RD&D that improves the quality of life for Californians by providing

environmentally-sound, safe, reliable and affordable energy services and products. Detailed information about the PIER program can be found on the Commission website at http://www.energy.ca.gov/pier/index.html. The PIER Transportation Subject Area is within the Energy Commission's existing PIER program.

This solicitation addresses the mandates of SB 1250, (Perata, Chapter 512, Statutes of 2006) under which PIER Transportation invests in advanced transportation technologies that reduce air pollution and greenhouse gas (GHG) emissions beyond applicable standards; the State Alternative Fuels Plan [AB 1007], (Pauley, Chapter 371, Statutes of 2005), which calls for conventional motor fuels replacement by 9% in 2102, 11% in 2017, and 26% in 2022; and the 2007 Integrated Energy Policy Report (IEPR), under which the Energy Commission seeks to maximize use of alternative fuels and advance fuels and vehicle technologies.

California leads the nation in its effort to promote clean alternative technologies, mitigate the effects of climate change, reduce petroleum dependency, and GHG emissions to improve the state's economy and the protection of public health and the environment. Energy consumed by, emissions produced from, and the economic impact of the transportation sector have been the subject of study and recent action by the executive and legislative branches of California government - setting goals to reduce petroleum consumption[3] and the production of GHGs.[4] The use of alternative fuel vehicles (AFVs) is seen by the State of California as a critical element in programs directed at achieving these goals.[5]

Both CNG and LNG offer near-term potential to serve a larger share of the vehicle market if certain performance and technical barriers can be overcome. The NGV industry has grown steadily over the last two decades, but is still focused on a few early market sectors and lacks the scale to sustain continued RDD&D necessary to compete with the rapid advance of diesel engine technology. Natural gas is lower in cost, compared to diesel fuel, and NGV engines can achieve lower emissions of criteria pollutants and GHGs. An analysis in the State Alternative Fuels Plan shows a potential for GHG reduction (11-23%), however a loss of efficiency precludes industry from business decisions leading to market expansion of NGVs for on- and off-road heavy-duty technologies. Improvements in NGV heavy-duty engine fuel efficiency, particularly in part load operating regimes, must be achieved if natural gas is to reach its potential to contribute toward these public policy objectives.

[3] The State Alternative Fuels Plan (December 2007 CEC-600-2007-011-CMF) developed to fulfill the requirements of California Assembly Bill 1007 calls for a reduction in the consumption of petroleum of 15% by 2020 with a corresponding increase in alternative fuels to 30% of the on-road fuel market by 2030.

[4] The Governor's Executive Order S-3-05 established goals to reduce statewide GHG emissions (to 1990 levels by 2020) that were later codified into law in Assembly Bill 32(Nunez, Chapter 488, Statutes of 2006). Further, Executive Order S-01-07 established the first Low Carbon Fuel Standard (LCFS), the goal of which is to require fuel providers to reduce the carbon intensity in fuel.

[5] AB 118 directs the Energy Commission and the Air Resources Board to transform California's transportation sector by reducing petroleum use and among other strategies using alternative fuels such as natural gas.

6. Vehicle Technology RD&D Initiative

The Vehicle Technology RD&D includes activities to promote improved fuel efficiency and energy savings through innovations in vehicle components, systems and platforms. Additionally, research in this area must reduce vehicle grams of CO_2 per kilometer beyond proposed standards.

More than 40 percent of all energy used in California moves people and goods, and most of this transportation energy demand is met by petroleum. With nearly 26 million registered vehicles, California's annual fuel consumption totals approximately 480 million barrels (16 billion gallons of gasoline and 4 billion gallons of diesel), making it the third largest consumer of transportation fuels in the world behind the United States as a whole and China. But this consumption comes at a cost to the state's economy and environment. Forty-five percent of California's crude oil and 10 percent of its refined fuel is imported, making the state heavily dependent on foreign supplies. Furthermore, California's transportation sector is the single largest contributor of greenhouse gas emissions, producing nearly 39 percent of the state's total carbon emissions.

PIER Transportation funds research that supports the reduction of petroleum consumption and greenhouse gas emissions through federal and state transportation research policy that grounds itself in three main components: vehicles (making vehicles more efficient), fuels (lowering the carbon content and impact of fuels), and vehicle miles traveled (reducing the use of personal vehicles).

The Energy Commission is developing programs to reduce petroleum consumption and GHG emissions by researching and introducing new, efficient vehicle technologies and alternative fuels. The PIER Transportation subject area supports the research and development of these new technologies through concept feasibility research, research centers, collaborations, and strategic partnerships.

7. Funding Information

Up to **$2.7 million** of FY 2007/2008 PIER Natural Gas funding is available for PIER project funding through this solicitation with the possibility of additional funding from related program sources. The Energy Commission anticipates selecting two to three projects for funding.

No single proposal may request funding for more than $1,000,000. Organizations may submit multiple proposals; however, each proposal must be distinct, separate projects, and must be submitted separately adhering to all requirements contained in this solicitation.

Match funding for this solicitation is encouraged but not required for selection.

8. Eligible Projects

Promising technologies that improve fuel efficiency and may also improve the power density of heavy-duty natural gas engines - through new advances in combustion and/or engine control technologies - will be considered for this competitive grant solicitation. Candidate concepts include (but are not limited to): cylinder deactivation, advanced controls, multi-port injection, direct injection, combustion chamber optimization, and cool-combustion technologies. Proposals that demonstrate an opportunity to lower production cost of CNG or LNG engines or vehicles will also be considered.

Eligible projects should seek to maximize realized benefits (that is, a reduction in energy consumption and GHG emissions) by:

- Targeting lowering cost of components for CNG and LNG engines.
- Targeting engines for OEM (original equipment manufacturer) vehicle applications that have a significant presence in California fleets;
- Targeting high fuel use heavy-duty fleet applications and market sectors, including those that are not currently using natural gas, both on- and non-road.
- Proposing concepts that offer significant reduction in fuel consumption relative to conventional NGV heavy-duty engines.
- Developing an “intelligent” engine that operates with maximum efficiency under a wide variety of conditions. This can provide twofold benefits:
    - Efficient operation at part load operation;
    - Much more capable control systems, with the capability to adjust to a range of fuel properties (such as biogas, propane, imported LNG, or hydrogen blending), can enable penetration into wider markets worldwide. Penetration into wider markets can bring production scale economies to improve competitive pricing.
- Proposing technologies that can be broadly applied to different heavy-duty NGV engines, with a variety of power levels, and implemented into a variety of vehicle applications.
- Providing market-competitive driving characteristics, while minimizing performance compromises.
- Exceeding applicable ARB heavy-duty on-road emission certification requirements.
- Assuring high likelihood of bringing beneficial products to market by:
    - Having a project team capable of successfully implementing the new technologies in California and able to adequately support the needs of the California market;
    - Having a clear and risk mitigated business plan and commercialization approach and pathway.

Proposed research projects must include either (1) development and prototype testing of advanced concepts for later product development or (2) the development of engine

components and systems for near-term market introduction. The focus of this solicitation is advanced engine development, so funding is not available under this program for the development of ancillary systems. It is important to understand that the inclusion of ancillary systems would not result in the rejection of a proposal, as long as funding for the development or integration of these systems (a hybrid drive, for example) is provided elsewhere. Vehicle development and demonstration programs will not be funded under this solicitation, but may be the subject of a future solicitation.

NOTE: For this solicitation, heavy-duty vehicle is defined as Class 4 (GVWR exceeding 14,001 lbs.) and above.

9. Eligible Applicants

This is a competitive solicitation seeking vehicle and engine manufacturers, and technology developers and teams who have demonstrated expertise and experience with the development of advanced engine concepts, control systems, and products. To be eligible, applicants must present a team with demonstrated development, testing, and commercialization capabilities (bringing new engine and transportation technologies to the market and supporting the ultimate customer). Both private and public entities may apply.

California business entities as well as non-California business entities conducting intrastate business in California are required to register and be in good standing with the California Secretary of State to enter into an agreement with the Energy Commission. If not currently registered with the California Secretary of State, Applicants are encouraged to contact the Secretary of State's Office as soon as possible to avoid potential delays in beginning the proposed project (should your application be successful). For more information, contact the Secretary of State's Office via their website at www.ss.ca.gov.

10. Payment of Prevailing Wage

Some projects under this solicitation might be considered public works pursuant to the California Labor Code. If the project is a public work, prevailing wage is required. The California Department of Industrial Relations (DIR) has jurisdiction to decide whether a particular project is or is not a public work. If your project involves construction, alteration, demolition, installation, repair or maintenance work, it probably would be considered by DIR to be a public work. A few of the activities that would probably lead DIR to find that the project involves public works include: cement work; site preparation such as grading; surveying; electrical work such as wiring; and carpentry work. Certain workers are entitled to prevailing wage, such as operating engineers, surveyors, carpenters, laborers, etc. However, other trades are not entitled to prevailing wage, such as engineers and project superintendents.

Applicants are encouraged to determine if the proposed project involves public works as soon as possible. In order to determine if the proposed project involves public works, you will need to contact DIR. If the Applicant is unsure whether the proposed project involves public works and you have not received a determination from DIR that the

project is not a public work, your budget must provide for the payment of prevailing wages. Please indicate whether the proposed budget includes prevailing wage.

If the proposed project is a public work, DIR maintains a list of covered trades and the applicable prevailing wage. The grant agreement will include the requirements for a public works project, such as paying prevailing wage, keeping payroll records, complying with working hour requirements, and apprenticeship obligations. See the sample terms and conditions, the Special Condition regarding Prevailing Wage, and the accompanying forms for more information.

For detailed information about prevailing wage and the process to determine if the proposed project is a public work, see Attachment J.

11. California Environmental Quality Act (CEQA)

Some of the projects selected for funding may meet the definition of a "project" for purposes of CEQA (see Public Resources Code section 21000 et seq.) If this occurs, the Energy Commission's Legal Staff will review the projects to determine whether an exemption applies that would prevent further actions under CEQA. If no exemption applies, certain CEQA requirements (e.g., preparation of a negative declaration or environmental impact report) will have to be met prior to the Energy Commission approving the grant. The applicant will have to pay the cost for these activities. Please refer to Title 20, California Code of Regulations, Chapter 6, Article 1, including section 2308.

12. Selection of Projects and Award Process

The following process will be utilized to recommend project(s) for funding:

1. Based on the proposals submitted, a scoring committee will score the projects using the scoring criteria described in Attachment A.

2. The scoring committee may conduct optional interviews for clarification purposes.

3. A minimum score of 70 (out of 100) is required to be eligible for funding. In addition, pursuant to AB 2267 (Fuentes, 2008), the California Energy Commission's Public Interest Energy Research (PIER) Program must give a priority to "California-based entities" (CBEs) when making awards. To implement this law, the Energy Commission will award preference points if the proposal meets the criteria for a CBE as described in Attachment E.

4. Passing projects receiving a score of 70 or more will be ranked according to their overall score. The scoring committee will submit the ranked list of proposals to the Energy Commission's Research, Development, and Demonstration (RD&D) Policy Committee. The RD&D Policy Committee will recommend how far down the rounded list of passing proposals to fund.

5. Project(s) will be recommended for funding starting with the highest ranked project meeting the minimum required score until all funds are exhausted.

6. The Energy Commission reserves the right to negotiate with the proposer(s) to modify the project scope, the level of funding, or both.

7. If the Energy Commission is unable to successfully negotiate and execute a funding agreement with a proposer, the Energy Commission, at its sole discretion, reserves the right to cancel the pending award and fund the next highest ranked eligible project proposal received under this solicitation.

8. A Notice of Proposed Awards will be released.

9. Project(s) recommended for funding will be scheduled and heard at an Energy Commission Business Meeting.

If approved at an Energy Commission Business Meeting:

10. Approved Grant Recipient(s) will be required to prepare a detailed set of award documents including, but not limited to, a Work Statement, a list of products and due dates, and detailed budget documents. Public agencies and non-profit organizations must also provide an authorizing resolution approved by their governing authority. Funding will be awarded only upon satisfactory completion of these documents.

11. Upon receiving the required documents, a Grant Agreement, which includes applicable Terms and Conditions*, will be written and sent to the Recipient(s) for review, approval and signature.

12. Once returned to the Energy Commission, the Energy Commission will fully execute the Grant Agreement. Recipient(s) are approved to begin the project only after full execution of the Grant Agreement.

***** **The *PIER Grant Terms and Conditions can be found at http://www.energy.ca.gov/contracts/index.html as part of this solicitation package. Please note, however, the Energy Commission reserves the right to modify the terms and conditions prior to executing grant agreements.***

13. Schedule of Proposal and Award Process

Release of Program Opportunity Notice	January 22, 2009
Pre-Proposal Workshop (via in person participation, teleconference, WebEx) Hearing Room A 1516 Ninth St., Sacramento, CA 95814	February 3, 2009 10:00 to 12:00 Noon See Public Participation Instructions (page 15)
Deadline to Submit Questions	February 6, 2009
Post Questions and Answers to Website	*Estimated* February 13, 2009
Deadline to Submit Proposals	**February 24, 2009** **4:00 p.m.**
Interview Applicants (if necessary)	March 3-9, 2009
Post Notice of Proposed Award	*Estimated* March 24, 2009
Approval of Awards at Energy Commission Business Meeting	*Estimated* May – June, 2009

14. Proposal Requirements

It is requested that proposals contain the following elements. ***Failure to include these elements WILL result in your proposal receiving a lower overall score and MAY result in your proposal being rejected and not eligible for funding.***

a. Contact information, including: contact person's name, title, entity legal name, physical address, telephone number, fax number and email address.

b. Abstract/summary of the project (one page maximum), which includes the title; brief project description; quantitative and measurable goals to be achieved by the end of the project; the project duration and date of completion; amount of PIER funding requested; and total project budget.

c. Current status of the research in the area of your project, barriers to advancement of the technology and why your project is the next logical step to advance the state-of-the-art of the technology or increase the penetration of the technology in the marketplace.

d. A statement whether or not the proposed project leads to a reduction of fossil fuels, criteria pollutants (e.g., NOx, CO, SOx), and reduce water quality impacts. The proposal must discuss how the proposed system meets the latest regulations set by the California Air Resources Board (ARB) and Water Resource Control Board or explain why this system is exempt from meeting these standards.

e. A Work Statement with a task-by-task description of your project including a process flow diagram. Include a one-sentence goal for each task, a list of the activities to be performed, product(s) produced, and the duration of the task. See attached Work Statement template (Attachment C).

f. Description of quantified targets, goals and market application. Explain the target market and the size of the market where this application can be replicated.

g. Anticipated direct and indirect benefits to California natural gas ratepayers if the project is successful.

h. Short biographies for the Project Manager and key research partners (individuals in your organization, partners, or subcontractors), emphasizing experience related to activities to be performed in the project.

i. Show project collaboration and coordination, especially the pathway to wider use and commercialization of this technology.

j. A discussion/explanation of how the proposed project addresses each of the scoring criteria as described in Attachment A.

k. Project budget information, including the source(s) of match funding, a justification for the share of match funding, and the reasons why this project is not likely to be funded by competitive or regulated markets. Include the form in Attachment B: PIER funding for each task detailed by category on the first page, match funding for each task detailed by category on the second page, and summary task budget on the third page. This budget form is an Excel spreadsheet. It is posted on the Energy Commission website at http://www.energy.ca.gov/contracts/index.html as part of this solicitation package.

l. Indicate whether the project involves public works and whether the budget includes prevailing wages.

m. Any other significant factors to enhance the value of the proposal, including highlights of the previous work and innovative features related to the proposed project.

15. Proposal Guidelines

Proposals must adhere to the following proposal guidelines. ***Failure to adhere to these guidelines MAY result in your proposal being rejected and not eligible for funding.***

a. Please provide one (1) original and fifteenth (15) copies of the proposal and a CD containing all the documents. The documents do not need to be bound; binder clips are acceptable. The original must be signed by an authorized representative of your organization.

b. Limit proposals to a maximum of 50 pages total.

c. Use a standard 12-point font and 1-inch or larger page margins. Insert one blank line between paragraphs. Number the pages.

d. Project duration cannot be more than three years.

e. All project expenditures (match share and reimbursable) must be expended within the approved term of the funding agreement.

f. Maximum PIER funding requests per project cannot exceed $1,000,000.

g. Match funding is encouraged and the share of match funding will be considered in scoring the proposal (see the scoring criteria in Attachment A).

h. The budget should allow for the expenses of a Kick-off Meeting, at least two Critical Project Review meetings, and a Final Meeting. It is anticipated that meetings will be conducted at the Energy Commission located in Sacramento, CA.

i. The budgets should allow for the preparation and submission of monthly progress reports (2-4 pages each) during the approved term of the agreement, and a final report that follows Energy Commission guidelines which can be found at http://www.energy.ca.gov/contracts/pier/contractors/index.html.

j. The purchase of equipment (items with a unit cost greater than $5,000 and a useful life greater than one year) with PIER funds is discouraged due to disposition requirements associated with the equipment. There are no disposition requirements for equipment purchased with match share funding.

k. The budget must reflect estimates for ***actual*** costs to be incurred during the approved term of the project. The Energy Commission can only approve and reimburse expenditures for actual costs that are properly documented in accordance with the PIER Grant Terms and Conditions.

l. The budget must ***NOT*** include any profit from the proposed project, either as a reimbursed item or as match share. In accordance with the PIER Grant Terms and Conditions, NO PROFIT IS ALLOWED UNDER GRANT AGREEMENTS. Please review the PIER Grant Terms and Conditions for additional restrictions and requirements.

16. Confidential Information

No confidential information will be accepted during the proposal and selection phase of this solicitation. If any confidential information is submitted, the entire proposal will be rejected and will not be eligible for funding. Proposals containing confidential information will be returned to the Applicant.

While discouraged, Applicants may ***propose*** to deliver confidential products during the course of the project if funded. If necessary, instructions on submitting confidential products will be provided by the Energy Commission prior to executing the Grant Agreement.

17. Pre-Proposal Workshop

A Pre-Proposal Workshop will be held at the date, time, and place listed below. Participation by prospective Applicants is optional. Please call (916) 651-9312 or refer to the Energy Commission's website at http://www.energy.ca.gov/contracts/index.html to confirm the date and time.

Dates:	February 3, 2009
Time:	10:00 a.m. to 12:00 Noon
Location:	California Energy Commission Hearing Room A, First Floor 1516 Ninth Street Sacramento, California 95814 In-person and via WebEx **See Instructions for Public Participation below.**
Telephone:	(916) 651-9312

Public Participation Instructions

Topic: Pre-Proposal Workshop
Date: Tuesday, February 3, 2009
Time: 10:00 a.m.
Meeting number: 924 124 708
Meeting password: meeting@10

Please click the link below to see more information or to join the meeting.

COMPUTER LOGON:
https://energy.webex.com/energy/j.php?ED=113918977&RG=1&UID=0

PHONE TELECONFERENCE LOGON:
Provide your phone number when you join the meeting to receive a call back. Or, call the number below and enter the meeting number.
Call-in toll-free number (US/Canada): 866-469-3239
Call-in number (US/Canada): 650-429-3300
Global call-in numbers:
https://energy.webex.com/energy/globalcallin.php

MEETING TOPIC CONTACT:
To contact Darren Nguyen, call 1-916-654-4895 or send a message to this address:
dnguyen@energy.state.ca.us

TECHNICAL SUPPORT:
For help with problems or questions trying to join or attend the meeting, please call WebEx Technical Support at 1-866-229-3239.

MEETING PREPARATION:
The host requests that you check for compatibility of rich media players for Universal Communications Format (UCF) before you join the session. UCF allows you to view multimedia during the session. To check now, click the following link:
https://energy.webex.com/energy/systemdiagnosis.php

NEW USER?:
Prepare your computer in advance of the meeting by clicking New User on the navigation bar.

CALENDAR:
To add this meeting to your calendar program (for example, Microsoft Outlook or Lotus Notes), do the following:

* For all calendar programs (except Lotus Notes), click the following link, or copy the link and paste it into your Web browser:
https://energy.webex.com/energy/j.php?ED=113918977&RG=1&UID=0

*For Lotus Notes, follow these steps:
1. Right-click the attached iCalendar format (*.ics) file, and then choose View.
2. Click Import All. A new broadcast email message is added to your Inbox.
3. Open the new message.
4. Click Respond button. A menu appears.
5. Click Accept.

18. Submission Requirements

Proposals must be *received* by the Energy Commission's Grants and Loans Office by **4:00 p.m. on February 24, 2009**. Proposals must be mailed or delivered to:

California Energy Commission
Grants and Loans Office
Attn: PIER-Transportation Grant Program
1516 Ninth Street, MS-1
Sacramento, CA 95814

Postmark dates of mailing, electronic mail (E-mail), and facsimile (FAX) transmissions are not acceptable in whole or in part under any circumstances. The Energy Commission will reject all proposals not received by the Energy Commission's Grants and Loans Office by the stated due date and time.

19. Grounds for Rejection

Proposals ***WILL*** be rejected and not considered for funding if:

a. The proposal is not received by the Energy Commission's Grants and Loans Office by the stated due date and time.

b. The proposal contains any confidential information.

c. The proposal proposes a project that has already been addressed or is being addressed.

d. The proposal does not adequately address the latest CARB emission standards (see Attachment A, Scoring Criterion 1).

e. The proposal is not for a separate, distinct project from other proposals submitted by the same Applicant.

Proposals ***MAY*** be rejected and not considered for funding if:

f. The proposal does not address each element listed under "Proposal Requirements."

g. The proposal does not adhere to the guidelines listed under "Proposal Guidelines."

20. Amendment or Cancellation of this Solicitation

The Energy Commission reserves the right to do any of the following:

- Cancel this solicitation;
- Amend or revise this solicitation as needed; or
- Reject any or all proposals received in response to this solicitation.

21. Questions

Additional questions about this solicitation must be submitted by 4:00 p.m. on February 6, 2009, and may be submitted by email or letter. The questions and answers will be posted on the Energy Commission's website by February 13, 2009. Questions may be directed to:

Reynaldo Gonzalez
Energy Generation Research Office
California Energy Commission
1516 Ninth Street, MS-43
Sacramento, CA 95814
Email: rgonzale@energy.state.ca.us

For those parties without internet access, copies of the questions and answers can be obtained by contacting:

Sandra Cushman
Administrative Assistant
Energy Systems Research Office
California Energy Commission
1516 Ninth Street, MS-43
Sacramento, CA 95814
Telephone: (916) 651-9381
Email: scushman@energy.state.ca.us

22. Attachments

A. Scoring Criteria
B. Budget Template and Instructions
C. Scope of Work Template and Instructions
D. Schedule of Products and Due Dates Template
E. Preference Points for California- Based Entities (CBE)
F. CBE Questionnaire
G. PIER Terms and Conditions
H. Prevailing Wage Special Condition
I. Prevailing Wage Compliance Certificate
J. Prevailing Wage Compliance Qs & As
K. Glossary